

To Mark Radcliff, Chief Executive

Cc Brett Gliddon, General Manager Service Design and Delivery

From Charles Ronaldson, General Manager Operations

Date 29 March 2019

Subject Response to the 18 March 2019 Board Action for additional information relating to the tolling of Transmission Gully

Purpose

1. This paper responds to the Board Action dated 18 March 2019.

Background

Section 9(2)(g)(i)

3. The Board has requested further information relating to tolling Transmission Gully for travel demand management purposes, specifically relating to: timing, cost and available technology.

Tolling for travel demand management purposes: barriers and solutions

4. There are several barriers to tolling Transmission Gully for travel demand management (TDM) purposes. The primary concerns are:
 - a. The legislative restrictions regarding for what purposes a road may be tolled;
 - b. The time required to establish a toll, which must be completed prior to opening date;
 - c. The decision-making process for establishing a toll; And
 - d. The limited functionality of the current back-office tolling system to deliver TDM pricing;
5. Further detail regarding these barriers and their potential solutions can be found in the section below and have been summarised into Appendix One.
6. These barriers were identified as part of the Transmission Gully tolling assessment and are sought to be addressed through the tolling review (aka the back-office review).
7. Fundamentally, this is a transport policy issue, which will require in-depth evaluation, and sits with the Ministry of Transport.

Legislation

8. Tolling for TDM is not allowable under current legislation (see Appendix Two).
9. Tolling is enabled under the *Land Transport Management Act, 2003* (LTMA, 2003) and is restricted to as its purpose as per S46(1)(a): *1 or more of the following activities, namely, the planning, design, supervision, construction, maintenance, or operation of a new road;*
10. To enable tolling for TDM purposes, considerable policy work around the future of travel, and TDM in general, needs to be scoped and undertaken prior to proposing legislative change. Such work has an uncertain timeframe, but can, and generally does, run into years.

Section 9(2)(g)(i)

Timing

15. Under the LTMA, a road toll may only be established on a new road (S46(1)(a)).

Section 9(2)(h)

Section 9(2)(j)

Section 9(2)(g)(i)

Section 9(2)(b)(ii)

Decision-making process

Tolling

21. The decision to toll Transmission Gully ultimately sits with Cabinet and must be recommended for consideration by the Minister.
22. The Transport Agency must recommend a viable tolling proposal and scheme (including value proposition) to the Minister, at which time the Minister may, or may not agree.
23. Should the Minister agree, the decision to public consult on the tolling proposal may be taken to Cabinet.

Section 9(2)(g)(i)

Section 9(2)(g)(i)

System functionality

29. To price for TDM, the back-office system requires a high degree of functionality and flexibility. This functionality includes the ability to aggregate trips and alter pricing according to time or day.
30. The current back-office system is unable to support either improved tolling functionality or TDM pricing.
31. To enable improved tolling or TDM pricing functionality, the Board could support the procurement (designing and building) of a new back-office system. Under current estimates, this will take a minimum of approximately 18 months, Section 9(2)(i)

Recommended solution

Section 9(2)(g)(i)

34. Taking into consideration all options for addressing the barriers of tolling Transmission Gully, it is recommendation the Board:

- a. Endorse the back-office review;
- b. Support the scoping of policy changes for tolling and seek support from the Minister and

MOT;

Section 9(2)(g)(i)